



# Car insurance price index

The most comprehensive analysis of  
car insurance pricing in the UK

Quarter 1 - 2020

# Executive summary

Price increases show it's more important than ever to shop around

The Confused.com car insurance price index began in 2006 and is the most comprehensive analysis of car insurance pricing in the UK. Published every three months, it looks at more than six million car insurance quotes per quarter to provide insight and analysis across the market.

The latest index, which covers the first quarter of 2020, shows that UK drivers are now paying £809 on average for an annual car insurance policy. This is up £47, or 6%, over the past 12 months.

There's some comfort for drivers though, as the past three months saw prices dipping by £6 (1%), on average.

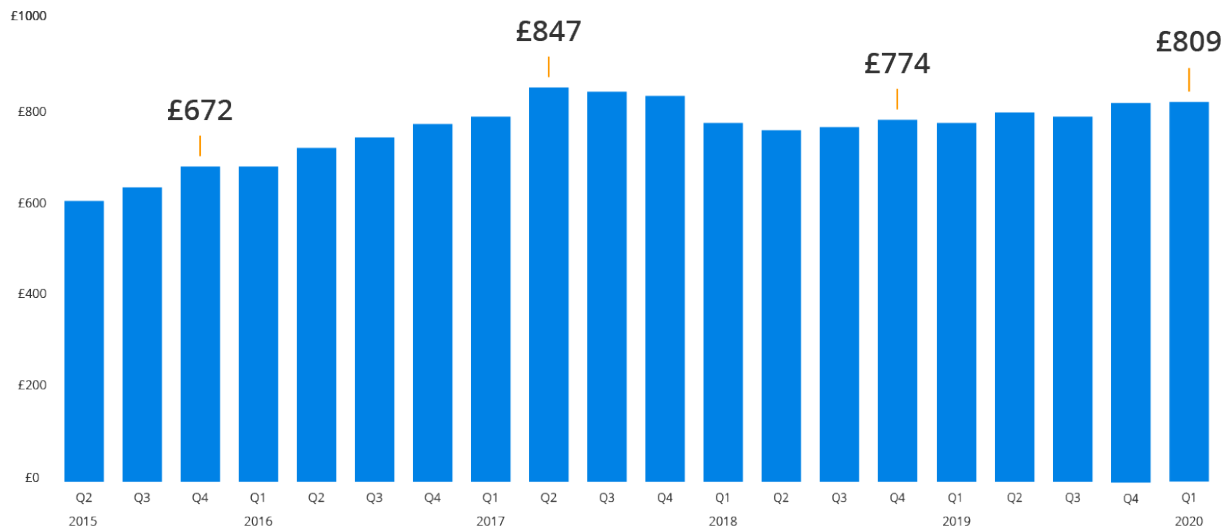
Whether prices are rising or slightly dipping, Confused.com is urging motorists to seize the initiative to shop around and look for a better deal. As Chief Executive Officer, Louise O'Shea, says, "Even if your renewal price is cheaper, or the same, it's likely there will be another insurer out there willing to offer a better price."

In fact, Confused.com are making it even more worthwhile for drivers to compare prices, by guaranteeing to beat their car insurance renewal, or give them the difference, plus £20(1).

# The overall picture

What changed this quarter?

## Confused.com price index reveals car insurance now costs £809 on average



The latest Confused.com price index, powered by Willis Towers Watson, reveals the average price of car insurance in the UK is now £809. This is £47 (+6%) more than it was 12 months ago, on average.

The data also shows a slight, recent dip in prices, with a fall in the last three months (Q1 2020) of £6 (1%), on average.

There's some more good news for drivers. Further research offers some relief, showing how shopping around can bring prices down. The research, conducted by Confused.com(2), found that nearly half (46%) of UK motorists saw their car insurance price increase. Of those who did, more than a third (37%) opted to shop around using a comparison site and switch to a better deal, saving £59, on average.

Some drivers saw even bigger savings, with one in six (17%) finding a policy that was more than £100 cheaper than their original price.

# The overall picture

## What changed this quarter?

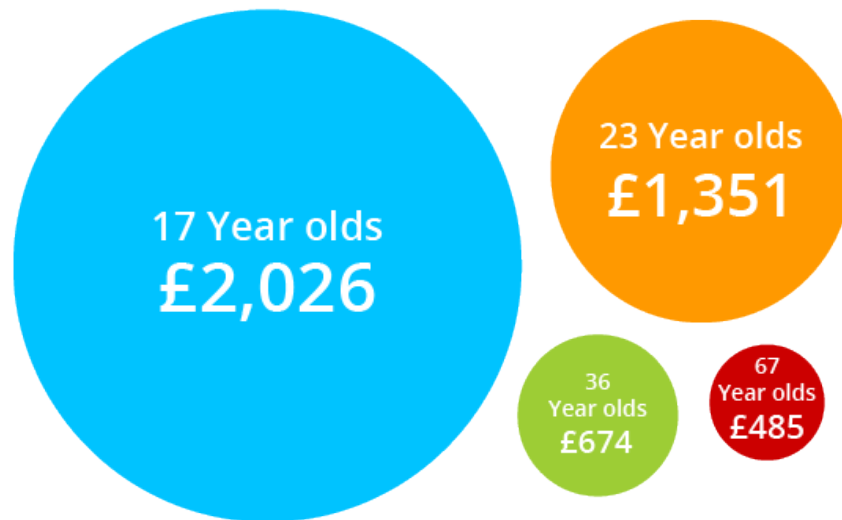
With this in mind, Louise O'Shea, CEO at Confused.com, is urging drivers to shop around, even if their renewal price hasn't increased significantly, as there's still the opportunity to make substantial savings. But, while car insurance prices are on the up, drivers are offered some respite in other motoring costs.

The cost of fuel, in particular, has dropped slightly over the past four months. According to Confused.com's fuel price index, the average price of petrol this month is 116p per litre, compared to 127p in January.

Similarly, diesel costs have dropped, with prices now 119p per litre, compared to 132p four months ago(3).

# Price by age

Youth or experience, who pays more?



Younger drivers were hit with the steepest price hike of all, with the average cost of car insurance for 17-year-olds accelerating by £121 (6%) in 12 months and £55 (3%) in the past three months alone. Drivers of this age can now expect to pay £2,026 for their car insurance.

Meanwhile, drivers aged 36 also saw a steep increase, with the average cost of their insurance shooting up by £61 (10%) year-on-year to now stand at £674.

Looking at one final age group, 67-year-olds saw an increase of £40 (9%) since last year and are now paying £485, on average.

# Prices by region

Where are prices headed?

## Inner London



**£1,272**  
**↑10%**

Wherever you live in the UK, prices have gone up across the board. Although some areas have seen higher spikes than others.

Drivers in Inner London, for example, have seen the cost of their insurance soar by £119 (10%) in the past 12 months. That's the biggest rise anywhere in the UK. Motorists in the centre of the capital can now expect to pay an average of £1,272 for their car insurance.

# Prices by region

Where are prices headed?

## Outer London



## Manchester & Merseyside

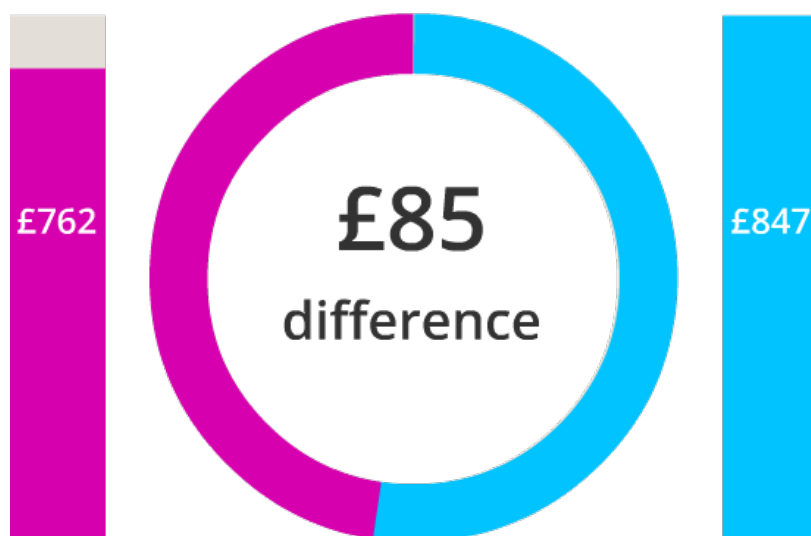


There was a similar picture just a few miles up the road. Drivers in Outer London saw a rise of £63 (7%), leading to an average price of £1,022. In the last quarter, the price reached more than £1,000 for the first time in two years and costs seem set to continue at that level.

Meanwhile, drivers in Leeds and Sheffield, Manchester and Merseyside and the West Midlands all face £59 hikes to their car insurance prices. This means drivers in these areas are paying £924, £1,032 and £995 respectively, on average.

# Prices by gender

His and hers



This past quarter (Q1 2020) saw prices go up a gear for female drivers in particular, who are now paying £53 (8%) more than they were a year ago.

In fact, female drivers are now looking at an average cost of £762 for their car insurance. They can take some comfort from the fact that prices are higher for men, with the average cost for a male driver now standing at £847, which is an increase of £42 (5%).

The gap between the cost to male and female drivers is now £85, on average.

If you're wondering why male drivers tend to pay more for their premiums, it's nothing to do with gender. In fact, the EU gender directive prohibits insurers from assessing a driver based on their sex.

There are simply a number of risk factors that affect the price. Men tend to drive more expensive cars with higher specification levels, which means if they make a claim it will lead to a higher pay-out. They also tend to have more motoring convictions than women.



# Expert view

Louise O'Shea, CEO at Confused.com, says:

"The fact that car insurance costs have increased is not the news we need especially right now. Year on year prices are up, but over the past few months they haven't changed that much.

"However, as a result of the lockdown the majority of people are using their cars less, it is therefore likely that we will see some change to prices in the coming months as insurers adjust to reflect this. We are constantly monitoring the situation so that we can update our customers on any changes that happen.

"Automatically renewing with your insurer might seem like the easiest, stress-free option, but it could be costly. Even if your renewal price is cheaper, or the same, it's likely there will be another insurer out there willing to offer a better price. At Confused.com we're so certain drivers will be able to find a better price than their current insurer that we're offering to beat their renewal quote or give them the difference, plus £20.

"Please don't pay more than you have to – take a few minutes to check your renewal letter and get a cheaper price because now, more than ever, it's so important to shop around."

# Note to editors

More than six million quotes are used in the construction of each quarter's insurance price index - this makes it the most comprehensive insurance index in the UK. Unless otherwise stated all prices referred to are for comprehensive cover.

(1 & 4) Terms & conditions apply. Must be a like-for-like policy. <https://www.confused.com/beat-your-renewal>.

(2) Research obtained through a nationally representative survey of 2,000 UK adults who drive, carried out by One Poll on behalf of Confused.com. This survey ran between 1 April and 3 April 2020.

(3) Confused.com's fuel price index collates prices from 7074 out of 8496 fuel stations across the UK. Prices are updated every week: <https://www.confused.com/on-the-road/petrol-prices/fuel-price-index>.

## Media information:

Confused.com press office:

PRTeam@confused.com

Chloe.Ostrolenk@confused.com or 02920 434 295

Sheri.Hall@confused.com or 02920 434 275

## About the Index:

The index is compiled using anonymous data from all enquiries submitted on Confused.com. In line with the draft Office of Fair Trading (OFT) commitments on the use of competitor price data, the prices used for calculating the index are based on an average of the best five quotes received on Confused.com. The OFT closed on the 1st April 2014 and the commitments are now governed by The Competition and Markets Authority (CMA).

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